

STAND. COM. REP. NO. 1154

Honolulu, Hawaii

March 24, 2009

RE: S.B. No. 436
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 436,
S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO LIFE SCIENCES,"

begs leave to report as follows:

The purpose of this bill is to promote the invaluable
research and medical advances brought about by clinical trials by:

- (1) Providing an income tax credit amounting to 15 percent
of qualified clinical trial costs incurred, in any
county with a population over 700,000, and 20 percent in
any county with a population of 700,000 or less;
- (2) Establishing criteria to qualify for the tax credit; and
- (3) Setting a cap on amounts received through the credit.

The American Cancer Society supported this bill. The
Department of Taxation (DOTAX) opposed this measure. The Tax
Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Prohibiting a taxpayer that claims this credit from
claiming any other state income tax credit, as
recommended by DOTAX;

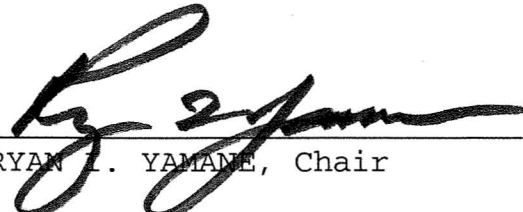
SB436 HD1 HSCR HLT HMS 2009-3273



- (2) Changing the effective date for this bill to July 1, 2020, and for the years this bill would be applicable towards to those years beginning after December 31, 2020, to encourage further discussion; and
- (3) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 436, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 436, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Health,



RYAN L. YAMANE, Chair



